

January 2014 Sales Conference Notes

February 03, 2014

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January 2014 Sales Conference Call

Monday, February 3, 2014

[January 2014 Sales Conference Call \(Audio Clip\)](#)

Toyota Motor Sales Vice President of Corporate Communications Mike Michels:

Good day and thank you for joining us to review Toyota's January sales.

Speaking today will be:

- Bill Fay, Group Vice President and General Manager of the Toyota Division
- And Jeff Bracken, Group Vice President and General Manager of Lexus

Following the call, our communications team will be available to field any additional questions you may have.

Now I'd like to turn it over to Bill for a look at the January TMS and Toyota Division results.

Toyota Division Group Vice President and General Manager Bill Fay:

Thank you Mike. Hello everyone, and thank you for joining us.

As you might expect

- Record low temperatures and heavy snowfall
- Had an impact on January sales in some parts of the country
- Our sales actually up in all western and southern areas
- Couldn't offset the losses in the Midwest and East Coast
 - Areas hit hardest by the storms

As a result

- Industry sales: 1 million, 12 thousand units
- Down 2.8% from last year
- Works out to SAAR of about 15.2 million
 - Again, a little down from last year (15.3)

For Toyota, Lexus and Scion

- Total sales of 146,365
 - Down 7.2%
- Due mostly to a 45% reduction in fleet sales
 - Last January still in the process of making fleet deliveries delayed by Hurricane Sandy
- January fleet deliveries in line with our plan for year
 - As we focus on consumer retail sales

When you look at our retail numbers

- - Down less than two percent
 - Making TMS the #1 retail manufacturer

- January also was a good month for our truck sales

- Sales up 7 and a half percent
- SUVs alone were up about 15%

Toyota Division

- Total sales of 128,728
- Down 9%
 - Again, the result of the reduced fleet sales
 - As Toyota was #1 retail brand for the month
- Truck sales
 - Riding a wave of new products
 - Were up 6 and a half percent
 - Best January for truck sales in six years (2008)

We continue to see strength in all truck segments

- Especially Compact SUVs
- Where RAV4 had its best January ever
 - Sales of nearly 17,000
 - Up 45%

New Highlander began arriving at dealerships in January

- Off to a great start
- Boosting sales 21% for the month

Highlander marketing launch just now getting underway

- May have seen commercial featuring the Muppets on yesterday's Super Bowl
- More than 6 million YouTube views *before* kickoff
- Will continue to build awareness for the Highlander
- Work towards a sales target of 140,000 for the year

In addition to RAV4 and Highlander

- New Tundra also had a good month
- Best January in six years
- Up 12 and a half percent
- High end models
 - Especially 1794
 - Continue to perform well

On the car side

- Camry volume leader with sales of more than 23,000
- Corolla right behind at 22,750

Toyota Division hybrid sales

- Totaled more than 15,000
- Accounting for more than half of all industry hybrid sales
- While down for the month
 - Last year
 - Gas prices at their peak for the year
 - Still in process of launching several new members of Prius family

Toyota Certified Used Vehicles

- Sales topped 26,000
- Best in the industry
- 21st straight month with sales of more than 26,000
- Continuing example of why we have the strongest resale and trade-in values in the industry

In summary

- January sales were off to a good start
- Before weather conditions slowed the industry's pace
- Our sales were also impacted by a reduction in fleet sales

We expect the industry to bounce back in February

- Most recent economic indicators are good
 - Better than expected 4th quarter GDP
 - Consumer spending up
 - Consumer Confidence remains strong

As a result

- We expect to see a more normal sales pattern of modest growth in February
 - As long as the weather cooperates

At Toyota

- We're unveiling the newest models in our truck lineup
- What we're calling the TRD Pro Series
- For Tundra, Tacoma and 4Runner
- Later this week at Chicago Auto Show
- So I hope you'll come by and see us

Now I'd like to turn this over to Jeff Bracken for a look at the Lexus results.

Lexus Group Vice President and General Manager Jeff Bracken:

Thanks Bill. Hello everyone.

At Lexus

- Weather also had an impact on our January results
- But while sales were down in areas hit hardest by the snows and deep freeze
- Offset by a very good month out west
 - Where our sales were up 35%

As a result

- Total Lexus sales rose nearly 9% in January
 - 17,637
- One of the few nameplates to show a gain for the month
- Best January in six years (2008)

SUV lineup led the way

- All three models posted gains
- Accounted for more than 40% of Lexus sales
- RX once again led all luxury SUVs
- Sales of new GX nearly doubled
 - Four straight month since launch
 - Double digit gains
 - Could be selling more
 - GX just 4-day supply

On car side

- The IS led the way
 - Continues to perform like a new car
 - Seven months after its launch
 - Sales doubled for the third straight month
- GS was up nearly 20%
- CT also provided a boost
 - Sales up nearly 30% in January
 - For this exclusively hybrid model
 - New CT begins to arrive at dealerships this month

Finally, January also kicks off the award season

- Both in Hollywood and the car industry
- Lexus lineup off to a good start
 - ES, IS and LS
 - all recognized by Kiplinger
 - Best-in-class for re-sale value
 - GS best overall in class

- All-new RC F performance coupe
 - Introduced at the Detroit Auto Show
 - One of the most talked about cars in the show
 - Looking forward to adding it to our lineup
 - Later this year

Thank you for joining us today, and now we'd like to open the call up to any questions you may have.